REFERENCE TITLE: empowerment scholarship accounts; revisions

State of Arizona Senate Fifty-third Legislature First Regular Session 2017

SB 1281

Introduced by

Senators Smith: Allen S, Barto, Borrelli, Burges, Fann, Farnsworth D, Kavanagh, Lesko, Petersen; Representatives Allen J, Bowers, Boyer, Cook, Finchem, Lawrence, Leach, Livingston, Nutt, Payne, Stringer, Townsend

AN ACT

AMENDING SECTIONS 15-2401, 15-2402 AND 15-2403, ARIZONA REVISED STATUTES; RELATING TO ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-2401, Arizona Revised Statutes, is amended to 2 3 read: 4 15-2401. <u>Definitions</u> 5 In this chapter, unless the context otherwise requires: 6 1. "Annual education plan" means an initial individualized 7 evaluation and subsequent annual reviews that are developed for 8 qualified student who meets the criteria specified in paragraph 7, 9 subdivision (a), item (i), (ii) or (iii) of this section to determine 10 ongoing annual eligibility through the school year in which the qualified student reaches twenty-two years of age and whether the student may be 11 12 eligible pursuant to section 36-2981 and should be referred for 13 eligibility determination. 14 2. 1. "Curriculum" means a complete course of study for content areas or grade levels, including any supplemental materials required by 15 16 the curriculum, approved by the department. 17 3. 2. "Department" means the department of education. 18 4. 3. "Eligible postsecondary institution" means a community college as defined in section 15-1401, a university under the jurisdiction 19 20 of the Arizona board of regents or an accredited private postsecondary 21 institution. 5. 4. "Parent" means a resident of this state who is the parent or 22 23 legal guardian of a qualified student. 24 6. 5. "Qualified school" means a nongovernmental primary or secondary school or a preschool for pupils with disabilities that is 25 26 located in this state and that does not discriminate on the basis of race, 27 color or national origin. 28 7. 6. "Qualified student" means a resident of this state who: 29 (a) Is any of the following: 30 (i) Identified as having a disability under section 504 of the 31 rehabilitation act of 1973 (29 United States Code section 794). 32 (ii) Identified by a school district or by an independent third party pursuant to section 15-2403, subsection I as a child with a 33 34 disability as defined in section 15-731 or 15-761. 35 (iii) A child with a disability who is eligible to receive services 36 from a school district under section 15-763. 37 (iv) Attending a school or school district that has been assigned a 38 letter grade of D or F pursuant to section 15-241 or who is currently 39 eligible to attend kindergarten and who resides within the attendance 40 boundary of a school OR SCHOOL DISTRICT that has been assigned a letter 41 grade of D or F pursuant to section 15-241. (v) A previous recipient of a scholarship issued pursuant to 42 section 15-891 or this section, unless the gualified student's parent has 43 44 been removed from eligibility in the program for failure to comply 45 pursuant to section 15-2403, subsection C.

1 (vi) A child of a parent who is a member of the armed forces of the 2 United States and who is on active duty or was killed in the line of duty. 3 A child who meets the requirements of this item is not subject to 4 subdivision (b) of this paragraph.

- 4 5
- 6 7

(vii) A child who is a ward of the juvenile court and who is residing with a prospective permanent placement pursuant to section 8–862 and the case plan is adoption or permanent guardianship.

8 (viii) A child who was a ward of the juvenile court and who 9 achieved permanency through adoption or permanent guardianship.

10 (ix) A child who is the sibling of a current or previous 11 empowerment scholarship account recipient or of an eligible qualified 12 student who accepts the terms of and enrolls in the AN empowerment 13 scholarship program ACCOUNT.

14 (x) A child who resides within the boundaries of an Indian 15 reservation in this state as determined by the department of education or 16 a tribal government.

17 (xi) A child of a parent who is legally blind pursuant to section 18 41-1973, subsection C or deaf or hard of hearing pursuant to AS DEFINED IN 19 section 36-1941.

20 (b) And, except as provided in subdivision (a), item (vi) of this 21 paragraph, who meets any of the following requirements:

22 (i) Attended a governmental primary or secondary school as a full-time student as defined in section 15-901 for at least the first one 23 24 hundred days of the prior fiscal year and who transferred from a 25 governmental primary or secondary school under a contract to participate 26 in an empowerment scholarship account. First, second and third grade 27 students who are enrolled in Arizona online instruction must receive four 28 hundred hours of logged instruction to be eligible pursuant to this item. 29 Fourth, fifth and sixth grade students who are enrolled in Arizona online 30 instruction must receive five hundred hours of logged instruction to be 31 eligible pursuant to this item. Seventh and eighth grade students who are 32 enrolled in Arizona online instruction must receive five hundred fifty 33 hours of logged instruction to be eligible pursuant to this item. High 34 school students who are enrolled in Arizona online instruction must 35 receive five hundred hours of logged instruction to be eligible pursuant 36 to this item.

37 (ii) Previously participated in the AN empowerment scholarship
 38 account program.

39 (iii) Received a scholarship under section 43-1505 and who 40 continues to attend a qualified school if the student attended a 41 governmental primary or secondary school as a full-time student as defined 42 in section 15-901 for at least ninety days of the prior fiscal year or one 43 full semester prior to attending a qualified school. 1 (iv) Was eligible for an Arizona scholarship for pupils with disabilities and received monies from a school tuition organization 2 pursuant to section 43-1505 or received an Arizona scholarship for pupils 3 4 with disabilities but did not receive monies from a school tuition 5 organization pursuant to section 43-1505 and who continues to attend a 6 qualified school if the student attended a governmental primary or 7 secondary school as a full-time student as defined in section 15-901 for 8 at least ninety days of the prior fiscal year or one full semester prior to attending a qualified school. 9

10 (v) Has not previously attended a governmental primary or secondary 11 school but is currently eligible to enroll in a kindergarten program in a 12 school district or charter school in this state or attended a program for 13 preschool children with disabilities.

(vi) Has not previously attended a governmental primary or secondary school but is currently eligible to enroll in a program for preschool children with disabilities in this state. FOR THE PURPOSES OF THIS ITEM, A CHILD IS ELIGIBLE TO ENROLL IN A KINDERGARTEN PROGRAM IF THE CHILD IS UNDER SEVEN YEARS OF AGE.

19

8. 7. "Treasurer" means the office of the state treasurer.

20 Sec. 2. Section 15–2402, Arizona Revised Statutes, is amended to 21 read:

22

15-2402. Arizona empowerment scholarship accounts; funds

A. Arizona empowerment scholarship accounts are established to provide options for the education of students in this state.

B. To enroll a qualified student for an empowerment scholarship account, the parent of the qualified student must sign an agreement to do all of the following:

1. Use a portion of the empowerment scholarship account monies allocated annually to provide an education for the qualified student in at least the subjects of reading, grammar, mathematics, social studies and science, unless the empowerment scholarship account is allocated monies according to a transfer schedule other than quarterly transfers pursuant to section 15-2403, subsection F.

2. Not enroll the qualified student in a school district or charter school and release the school district from all obligations to educate the qualified student. This paragraph does not relieve the school district or charter school that the qualified student previously attended from the obligation to conduct an evaluation pursuant to section 15-766.

39 3. Not accept a scholarship from a school tuition organization 40 pursuant to title 43 concurrently with an empowerment scholarship account 41 for the qualified student in DURING the same year a parent signs the 42 agreement pursuant to this section TIME THAT THE QUALIFIED STUDENT IS 43 ACTIVELY ENROLLED IN AN EMPOWERMENT SCHOLARSHIP ACCOUNT. THE DEPARTMENT 44 MAY ASK A QUALIFIED SCHOOL TO PROVIDE CONFIRMATION THAT A STUDENT IS IN 45 COMPLIANCE WITH THIS PARAGRAPH. 1 4. Use the money deposited in the qualified student's Arizona 2 empowerment scholarship account only for the following expenses of the 3 qualified student:

4

(a) Tuition or fees at a qualified school.

5

13

(b) Textbooks required by a qualified school.

6 (c) If the qualified student meets any of the criteria specified in section 15-2401, paragraph 6, subdivision (a), item (i), (ii) or (iii) as 7 8 determined by a school district or by an independent third party pursuant 9 to section 15-2403, subsection I, the qualified student may use the 10 following additional services:

11 (i) Educational from licensed therapies а or accredited 12 practitioner or provider.

(ii) A licensed or accredited paraprofessional or educational aide.

14 (iii) Tuition for vocational and life skills education approved by 15 the department.

16 (iv) Associated services that include educational and psychological 17 evaluations, assistive technology rentals and braille translation services 18 approved by the department.

19 (d) Tutoring or teaching services provided by an individual or 20 facility accredited by a state, regional or national accrediting 21 organization.

22 23 (e) Curricula.

(f) Tuition or fees for a nonpublic online learning program.

(q) Fees for a nationally standardized norm-referenced achievement 24 25 test, an advanced placement examination or any exams related to college or university admission. 26

27 (h) Contributions, NOT TO EXCEED TWO THOUSAND DOLLARS EACH YEAR, to 28 a Coverdell education savings account established pursuant to 26 United 29 States Code section 530 OR AN EDUCATION SAVINGS ACCOUNT ESTABLISHED 30 PURSUANT TO 26 UNITED STATES CODE SECTION 529 for the benefit of the 31 qualified student, except that money used for elementary or secondary 32 education expenses must be for expenses otherwise allowed under this 33 section.

34

(i) Tuition or fees at an eligible postsecondary institution.

35

(j) Textbooks required by an eligible postsecondary institution.

(k) Fees for management of the empowerment scholarship account.

36 37 (1) Services provided by a public school, including individual 38 classes and extracurricular programs.

39

(m) Insurance or surety bond payments.

40

Uniforms purchased from or through a qualified school. (n)

41 (o) Beginning January 1, 2017, if the qualified student meets the criteria specified in section 15-2401, paragraph 7, subdivision (a), item 42

43 (i), (ii) or (iii) and if the qualified student is in the second year 44 prior to the final year of a contract executed pursuant to this article,

45 costs associated with an annual education plan conducted by an independent

1 evaluation team. The department shall prescribe minimum qualifications 2 for independent evaluation teams pursuant to this subdivision and factors 3 that teams must use to determine whether the qualified student shall be 4 eligible to continue to receive monies pursuant to this article through 5 the school year in which the qualified student reaches twenty-two years of 6 age. An independent evaluation team that provides an annual education 7 plan pursuant to this subdivision shall submit a written report that 8 summarizes the results of the evaluation to the parent of the qualified 9 student and to the department on or before July 31. The written report 10 submitted by the independent evaluation team is valid for one year. If 11 the department determines that the qualified student meets the eligibility 12 criteria prescribed in the annual education plan, the qualified student is eligible to continue to receive monies pursuant to this article until the 13 14 qualified student reaches twenty-two years of age, subject to annual 15 review. A parent may appeal the department's decision pursuant to title 16 41, chapter 6, article 10. As an addendum to a qualified student's 17 final-year contract, the department shall provide the following written 18 information to the parent of the qualified student:

19 (i) That the qualified student will not be eligible to continue to 20 receive monies pursuant to this article unless the results of an annual 21 education plan conducted pursuant to this subdivision demonstrate that the 22 qualified student meets the eligibility criteria prescribed in the annual 23 education plan.

(ii) That the parent is entitled to obtain an annual education plan
 pursuant to this subdivision to determine whether the qualified student
 meets the eligibility criteria prescribed in the annual education plan.

27 (iii) A list of independent evaluation teams that meet the minimum 28 qualifications prescribed by the department pursuant to this subdivision.

29 (o) COSTS ASSOCIATED WITH EVALUATIONS THAT ARE CONDUCTED PURSUANT30 TO SECTION 15-2403, SUBSECTION I.

5. Not file an affidavit of intent to homeschool pursuant to
 section 15-802, subsection B, paragraph 2 or 3.

33 6. Not use monies deposited in the qualified student's account for 34 any of the following:

35 36 (a) Computer hardware or other technological devices.

(b) Transportation of the pupil.

37 (c) Consumable educational supplies, including paper, pens or 38 markers.

C. In exchange for the parent's agreement pursuant to subsection B of this section, the department shall transfer from the monies that would otherwise be allocated to a recipient's prior school district, or if the child is currently eligible to attend kindergarten, the monies that the department determines would otherwise be allocated to a recipient's expected school district of attendance, to the treasurer for deposit into an Arizona empowerment scholarship account an amount that is equivalent to

1 ninety percent of the sum of the base support level and additional 2 assistance prescribed in sections 15-185 and 15-943 for that particular student if that student were attending a charter school. The department 3 4 may retain up to five percent of the sum of the base support level and additional assistance prescribed in sections 15-185 and 15-943 for each 5 6 student with an empowerment scholarship account for deposit in the 7 department of education empowerment scholarship account fund established 8 in subsection D of this section, out of which the department shall transfer one percent of the sum of the base support level and additional 9 10 assistance prescribed in sections 15-185 and 15-943 for each student with 11 an empowerment scholarship account to the state treasurer for deposit in 12 the state treasurer empowerment scholarship account fund established in 13 subsection E of this section.

14 D. The department of education empowerment scholarship account fund is established consisting of monies retained by the department pursuant to 15 16 subsection C of this section. The department shall administer the fund. 17 Monies in the fund are subject to legislative appropriation. Monies in 18 the fund shall be used for the department's costs in administering 19 empowerment scholarship accounts under this chapter. Monies in the fund 20 are exempt from the provisions of section 35-190 relating to lapsing of 21 appropriations. If the number of empowerment scholarship accounts 22 significantly increases after fiscal year 2012-2013, the department may 23 request an increase in the amount appropriated to the fund in any 24 subsequent fiscal year in the budget estimate submitted pursuant to 25 section 35-113.

26 E. The state treasurer empowerment scholarship account fund is 27 established consisting of monies transferred by the department to the state treasurer pursuant to subsection C of this section. The state 28 29 treasurer shall administer the fund. Monies in the fund shall be used for 30 the state treasurer's costs in administering the empowerment scholarship 31 accounts under this chapter. If the number of empowerment scholarship 32 accounts significantly increases after fiscal year 2013-2014, the state 33 treasurer may request an increase in the amount appropriated to the fund 34 in any subsequent fiscal year in the budget estimate submitted pursuant to 35 35-113. Monies in the fund are subject section to legislative 36 appropriation. Monies in the fund are exempt from the provisions of 37 section 35-190 relating to lapsing of appropriations.

38 F. A parent must renew the qualified student's empowerment 39 scholarship account on an annual basis. Notwithstanding any changes to 40 the student's multidisciplinary evaluation team plan, A student who has 41 previously qualified for an empowerment scholarship account shall remain 42 eligible to apply for renewal until the student finishes GRADUATES FROM high school, OBTAINS A GENERAL EQUIVALENCY DIPLOMA OR REACHES TWENTY-TWO 43 44 YEARS OF AGE IF THE STUDENT CONTINUES TO ATTEND AND BE ENROLLED IN A 45 QUALIFIED SCHOOL. THE DEPARTMENT MAY REQUEST CONFIRMATION OF A QUALIFIED

STUDENT'S PROGRESS TOWARD GRADUATION FROM HIGH SCHOOL OR THE COMPLETION OF
 A GENERAL EQUIVALENCY DIPLOMA.

G. A signed agreement under this section constitutes school
attendance required by section 15-802.

5 H. A qualified school or a provider of services purchased pursuant 6 to subsection B, paragraph 4 of this section may not share, refund or 7 rebate any Arizona empowerment scholarship account monies with the parent 8 or qualified student in any manner.

9 I. On the qualified student's graduation from a postsecondary 10 institution or after any period of four consecutive years after high 11 school graduation in which the student is not enrolled in an eligible 12 postsecondary institution, the qualified student's Arizona empowerment 13 scholarship account shall be closed and any remaining funds shall be 14 returned to the state.

J. Monies received pursuant to this article do not constitute taxable income to the parent of the qualified student.

17 K. THE DEPARTMENT SHALL ALLOW AN APPLICANT FOR AN EMPOWERMENT 18 SCHOLARSHIP ACCOUNT TO IDENTIFY ALL POTENTIALLY APPLICABLE ENROLLMENT 19 ELIGIBILITY CRITERIA DURING THE APPLICATION PROCESS AND MAY NOT RESTRICT 20 THE APPLICANT TO THE IDENTIFICATION OF A SINGLE ENROLLMENT ELIGIBILITY 21 CRITERION.

22 Sec. 3. Section 15-2403, Arizona Revised Statutes, is amended to 23 read:

24

25

15-2403. Empowerment scholarship accounts: administration: audit; policy handbook

A. The treasurer may AND THE DEPARTMENT OF EDUCATION SHALL contract with private financial management firms to manage Arizona empowerment scholarship accounts.

B. The department shall conduct or contract for annual audits of empowerment scholarship accounts to ensure compliance with section 15-2402, subsection B, paragraph 4. The department shall also conduct or contract for random, quarterly and annual audits of empowerment scholarship accounts as needed to ensure compliance with section 15-2402, subsection B, paragraph 4.

35 C. The department may remove any parent or qualified student from 36 eligibility for an Arizona empowerment scholarship account if the parent 37 or qualified student fails to comply with the terms of the contract or 38 applicable laws, rules or orders or knowingly misuses monies or knowingly 39 fails to comply with the terms of the contract with intent to defraud and 40 shall notify the treasurer. The department shall notify the treasurer to 41 suspend the account of a parent or qualified student and shall notify the parent or qualified student in writing that the account has been suspended 42 and that no further transactions will be allowed or disbursements made. 43 The notification shall specify the reason for the suspension and state 44 45 that the parent or qualified student has ten days, not including weekends,

1 to respond and take corrective action. If the parent or qualified student 2 refuses or fails to contact the department, furnish any information or 3 make any report that may be required for reinstatement within the ten-day 4 period, the department may remove the parent or qualified student pursuant 5 to this subsection.

D. A parent may appeal the department's ANY ADMINISTRATIVE decision
MADE BY THE DEPARTMENT PURSUANT TO THIS ARTICLE, INCLUDING DECISIONS
REGARDING ENROLLMENT ELIGIBILITY, pursuant to title 41, chapter 6,
article 10. THE DEPARTMENT SHALL NOTIFY THE PARENT OF THE PARENT'S
ABILITY TO APPEAL ANY ADMINISTRATIVE DECISION AT THE SAME TIME THE PARENT
IS NOTIFIED OF ANY ADMINISTRATIVE DECISION.

12 E. The department may refer cases of substantial misuse of monies 13 to the attorney general for the purpose of collection or for the purpose 14 of a criminal investigation if the department obtains evidence of 15 fraudulent use of an account.

16 F. The department shall make quarterly transfers of the amount 17 calculated pursuant to section 15-2402, subsection C to the treasurer for 18 deposit into the empowerment scholarship account of each qualified 19 student, except the department may make transfers according to another 20 transfer schedule if the department determines a transfer schedule other 21 than quarterly transfers is necessary for the operation of the empowerment 22 scholarship account. THE DEPARTMENT SHALL DEPOSIT MONIES INTO THE 23 EMPOWERMENT SCHOLARSHIP ACCOUNT IMMEDIATELY OR, IF NECESSARY, SHALL 24 DEPOSIT RETROACTIVELY PRORATED MONIES AT THE TIME THE PARENT AGREES TO THE 25 TERMS AND CONDITIONS PRESCRIBED IN SECTION 15-2402. THE DEPARTMENT MAY NOT DELAY THE DEPOSIT OF MONIES INTO AN EMPOWERMENT SCHOLARSHIP ACCOUNT 26 27 UNTIL A SUBSEQUENT QUARTER.

28 G. The department shall accept applications between July 1 and June 29 30 of each year. The department shall enroll and issue an award letter $extsf{to}$ 30 eligible applicants within forty-five THIRTY days after receipt of a 31 completed application and all required documentation. IF THE DEPARTMENT 32 DETERMINES THAT AN APPLICANT IS INELIGIBLE FOR AN EMPOWERMENT SCHOLARSHIP ACCOUNT BECAUSE THE APPLICANT DOES NOT MEET THE REQUIREMENTS PRESCRIBED 33 34 FOR AN ELIGIBLE STUDENT, THE DEPARTMENT SHALL NOTIFY THE APPLICANT OF THE 35 SPECIFIC STATUTORY DEFICIENCIES OF THE APPLICATION AND THE RATIONALE FOR 36 THE DENIAL OF THE APPLICATION. On or before May 30 of each year, the 37 department shall furnish to the joint legislative budget committee an 38 estimate of the amount required to fund empowerment scholarship accounts 39 for the following fiscal year. The department shall include in its budget 40 request for the following fiscal year the amount estimated in section 15-2402, subsection C for each qualified student. 41

H. The department may adopt rules and policies AND PROCEDURES
 necessary for the administration of empowerment scholarship accounts. THE
 POLICIES AND PROCEDURES ADOPTED PURSUANT TO THIS SUBSECTION SHALL BE

DEVELOPED AND IMPLEMENTED PURSUANT TO THE INTENT OF THE LAW AND BY GIVING
 STUDENTS THE MOST EDUCATIONAL OPTIONS AVAILABLE UNDER THE LAW, including:

Policies for conducting or contracting for examinations of the
 use of account monies.

5 2. Conducting or contracting for random, quarterly and annual 6 reviews of accounts.

7 3. Establishing or contracting for the establishment of an online 8 anonymous fraud reporting service.

9

4. Establishing an anonymous telephone hotline for fraud reporting.

10 5. Policies that require a surety bond or insurance for account 11 holders.

6. POLICIES THAT ESTABLISH EXPENSE REPORTING, ELIGIBLE EXPENSES AND
 APPLICATION PROCEDURES. THE POLICIES REGARDING ELIGIBLE EXPENSES MAY NOT
 RESTRICT THE TYPES OR AMOUNT OF CURRICULUM CHOICES MADE BY PARENTS FOR
 STUDENTS.

I. The department shall contract with an independent third party for the purposes of determining if WHETHER a qualified student is eligible to receive educational therapies or services pursuant to section 15-2402, subsection B, paragraph 4, subdivision (c).

J. THE DEPARTMENT SHALL DEVELOP AND PUBLISH A POLICY HANDBOOK ON OR BEFORE JULY 1 OF EACH YEAR. THE POLICY HANDBOOK SHALL INCLUDE INFORMATION PERTAINING TO ALL POLICIES ADOPTED BY THE DEPARTMENT TO ADMINISTER BMPOWERMENT SCHOLARSHIP ACCOUNTS. ONLY POLICIES THAT ARE INCLUDED IN THE HANDBOOK MAY BE ADMINISTERED. THE DEPARTMENT MAY NOT PUBLISH THE POLICY HANDBOOK, MAKE ANY REVISIONS OR ENFORCE ANY NEW POLICY OR PROCEDURE BEFORE THE COMPLETION OF BOTH OF THE FOLLOWING:

THE COLLECTION OF PUBLIC COMMENTS FOR AT LEAST SIXTY DAYS. THE
 DEPARTMENT SHALL CONSIDER AND REASONABLY INCORPORATE THESE PUBLIC COMMENTS
 IN THE POLICY HANDBOOK.

302. THE SUBMISSION OF A COPY OF THE POLICY HANDBOOK AND ANY31REVISIONS OF THE POLICY HANDBOOK TO THE GOVERNOR, THE PRESIDENT OF THE32SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

K. THE DEPARTMENT SHALL POST ON THE DEPARTMENT'S WEBSITE
 INFORMATION AND DATA THAT ARE UPDATED MONTHLY REGARDING THE EMPOWERMENT
 SCHOLARSHIP ACCOUNTS AND THAT INCLUDE:

INFORMATION REGARDING ALL PURCHASES AND EXPENDITURES MADE WITH
 EMPOWERMENT SCHOLARSHIP ACCOUNT MONIES. THE INFORMATION INCLUDED PURSUANT
 TO THIS PARAGRAPH MAY NOT VIOLATE THE PERSONAL PRIVACY OF ANY STUDENT OR
 FAMILY AND SHALL INCLUDE ONLY AGGREGATE DATA.

40

2. THE NUMBER OF ENROLLED STUDENTS DISAGGREGATED BY ELIGIBILITY.

41 3. ANY OTHER INFORMATION OR DATA THAT MAY BE PERTINENT TO PROMOTING 42 TRANSPARENCY AND ACCOUNTABILITY OF THE EMPOWERMENT SCHOLARSHIP ACCOUNTS.

1	Sec. 4. Department of education; empowerment scholarship
2	accounts; administration; contracts
3	A. On or before December 15, 2017, the department of education
4	shall enter into one or more contracts with one or more private
5	contractors in order to substantially assist in the administration of
6	empowerment scholarship accounts established pursuant to title 15, chapter
7	19, Arizona Revised Statutes. The contracts required by this subsection
8	shall be for both of the following:
9	1. The administration of processing applications and making
10	qualified student eligibility determinations.
11	2. The administration of financial transactions, including the
12	management of monies, the approval of eligible expenses and data
13	reporting.
14	B. Any contract entered into by the department of education
15	pursuant to this section shall be used to enhance the administration of
16	empowerment scholarship accounts and to ensure additional accountability
17	and transparency.
18	C. If necessary to effectuate the contracts entered into by the
19	department of education pursuant to this section, the department of
20	education shall prepare proposed legislation conforming the Arizona
21	Revised Statutes to the provisions of this act for consideration in the
22	fifty-third legislature, second regular session.
23	Sec. 5. Empowerment scholarship account review council;
24	<u>annual report: delayed repeal</u>
25	A. The empowerment scholarship account review council is
26	established consisting of the following members:
27	 Six members who are parents of children who are currently
28	receiving empowerment scholarship accounts and who have been enrolled in
29	an empowerment scholarship account for at least two years. These members
30	shall be appointed by the governor.
31	2. The chairperson of the education committee of the senate and the
32	chairperson of the education committee of the house of representatives.
33	3. The superintendent of public instruction or the superintendent's
34	designee.
35	B. Appointed members serve at the pleasure of the person who made
36	the appointment. The members of the council shall select a chairperson
37	from the members appointed pursuant to subsection A, paragraph 1 of this
38	section.
39	C. Council members are not eligible to receive compensation, but
40	members appointed by the governor are eligible for reimbursement of
41 42	expenses under title 38, chapter 4, article 2, Arizona Revised Statutes. D. The council shall:
42 43	
43 44	 Review and make recommendations to the department of education regarding the administration of empowerment scholarship accounts.
77	regarding the administration of empowerment scholarship accounts.

1 2. Make recommendations to the legislature for changes to the laws 2 regarding empowerment scholarship accounts.

3 3. Review and approve any contracts entered into for the financial 4 management or administration of empowerment scholarship accounts.

5 6 management or administration of empowerment scholarship accounts. 4. Review and approve any changes to the empowerment scholarship accounts policy handbook pursuant to section 15–2403, Arizona Revised

7 Statutes, as amended by this act.

8 5. Submit a report regarding the council's activities and 9 recommendations on or before December 15 of each year to the governor, the 10 president of the senate and the speaker of the house of representatives 11 and provide a copy of this report to the secretary of state.

12 E. The department of education shall provide technical assistance 13 to the empowerment scholarship account review council.

14

F. This section is repealed from and after December 31, 2020.

15 Sec. 6. <u>Retroactivity</u>

16 Section 15-2402, subsection F, Arizona Revised Statutes, as amended 17 by this act, applies retroactively to from and after January 1, 2015.